



# CITY OF LODI

## COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt resolution authorizing the City Manager to extend the consulting services agreement with Borismetrics to provide professional services to the Electric Utility Department in the amount of \$55,000 at a reduced billing rate from the original contract (EUD)

**MEETING DATE:** March 19, 2003

**PREPARED BY:** Electric Utility Director

**RECOMMENDED ACTION:** That the City Council adopt a resolution authorizing the City Manager to extend the consulting services agreement with Borismetrics to provide professional services to the Electric Utility Department in the amount of \$55,000 at the reduced billing rate.

**BACKGROUND INFORMATION:** The Electric Utility Department faces a number of issues related to the fast paced and volatile energy industry, which require professional assistance in order to efficiently, manage and position the utility through this transition period.

The Electric Utility Department has hired Boris Prokop through a consulting agreement with Borismetrics, to perform the management and higher analysis duties of the former Business Planning and Marketing Manager and the former Rates and Resources Manager. BORISMETRICS is uniquely qualified to provide the needed expertise by virtue of its direct experience and familiarity with the issues facing the City of Lodi and other California electric utilities.

The services that Mr. Prokop has provided under the current contract have proved to be very beneficial to the Electric Utility Department. The need and value of the services are even more necessary during this environment of California electric industry uncertainty. At present, he is assisting in the evaluation of NCPA related issues such as ISO billing and power contracts. Also, he is assisting with the implementation of changes to large customer contract rates. In order to preserve the continuity of his knowledge in the areas of rates and power supply for the City of Lodi and given the rapid change in the electric utility industry, there is a need to maintain the services by extending the contract and appropriating \$55,000 for Borismetrics services.

Mr. Prokop reduced his billing rate by 15% from the original Borismetrics contract, which is highly competitive. This budget change would carry his work from February 2003 to June 2003. At the discretion of the Utility Director, this full budget extension amount may not be utilized. The budget for the two positions, which Boris Prokop is replacing, is on the order of \$260,000 at a minimum.

**FUNDING:** 160603.7323

**Funding Approval:**

*Vicky R. McAthie*  
Vicky McAthie, Finance Director

*Alan N. Vallow*  
Alan N. Vallow  
Electric Utility Director

ANV/1st

C: City Attorney

Finance Director

**APPROVED:**

*James Dixon Flynn*  
James Dixon Flynn - City Manager

## CONSULTING SERVICES AGREEMENT EXTENSION

**BORISMETRICS  
PO BOX 2746  
LODI CA 95241  
(425) 922-2853**

This current consulting services agreement between BORISMETRICS, (hereinafter "BORISMETRICS") and the City of Lodi, Electric Utility, whose place of business is located at 1331 S. Ham Lane, Lodi, CA 95242 (hereinafter "CLIENT") for the project generally described as Rates, Cost of Service and Power Supply assistance is extended by Lodi City Council Resolution 2003-\_\_\_\_\_ dated March 19, 2003.

The extension has an increased budget of \$55,000 above the original contract budget. All other contract provisions are unchanged except the hourly billing rate for principal has been reduced from \$120/hr. to \$100/hr.

**BORISMETRICS, INC.**

**CITY OF LODI**

By: \_\_\_\_\_  
Boris Prokop, Principal

By: \_\_\_\_\_  
H. Dixon Flynn, City Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: *Randall A. Hays*  
Randall A. Hays, City Attorney

**ATTEST:**

By: \_\_\_\_\_  
Susan Blackston, City Clerk

RESOLUTION NO. 2003-40

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY  
MANAGER TO EXTEND THE CONSULTING SERVICES AGREEMENT WITH  
BORISMETRICS TO PROVIDE PROFESSIONAL SERVICES IN THE AREAS OF  
POWER SUPPLY AND RATES TO THE ELECTRIC UTILITY DEPARTMENT

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WHEREAS, the Electric Utility Department faces a number of issues related to the fast-paced and volatile energy industry, which require professional assistance in order to efficiently manage and position the utility through this transition period; and

WHEREAS, Boris Prokop was hired through a consulting agreement with his company, Borismetrics, to perform the management and higher analysis duties of the former Business Planning and Marketing Manager and the former Rates and Resources Manager; and

WHEREAS, Borismetrics is uniquely qualified to provide the needed expertise by virtue of its direct experience and familiarity with the issues facing the City of Lodi and other California electric utilities; and

WHEREAS, the services that Mr. Prokop has provided under the current contract have proved to be very beneficial to the Electric Utility Department. The need and value of the services are even more necessary during this environment of California electric industry uncertainty. At present, Mr. Prokop is assisting in the evaluation of Northern California Power Agency (NCPA) related issues, such as Independent System Operator (ISO) billing and power contracts, and is assisting with the implementation of changes to large customer contract rates; and

WHEREAS, in order to preserve the continuity of his knowledge in the areas of rates and power supply for the City of Lodi and given the rapid change in the electric utility industry, there is a need to maintain the services by increasing the contract budget by an additional \$55,000.00, which may or may not be utilized and will be at the discretion of the Electric Utility Director. This would carry his work from February 2003 to June 2003.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to extend the consulting services agreement with Borismetrics to provide professional services in the areas of power supply and rates to the Electric Utility Department at a cost not to exceed \$55,000.00.

Dated: March 19, 2003

I hereby certify that Resolution No. 2003-40 was passed and adopted by the Lodi City Council in a regular meeting held March 19, 2003, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, Land, and Mayor Hitchcock

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – Howard

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON  
City Clerk